

DHCD ESG Frequently Asked Questions

Eligible Activities/Client Eligibility

- 1. Can families being asked to leave subsidized housing due to non-payment of rent receive assistance through DHCD's ESG program?**

Households in subsidized housing may receive up to *6 months of the tenants portion of rental arrears* through DHCD ESG Homelessness Prevention services if they meet the necessary requirements to be considered At-Risk of Homelessness as defined in DHCD's RFR and the property manager is willing to accept payment and allow the household to remain in that unit. Rental arrears assistance may include any late fees included on those arrears, if they meet the necessary requirements. If the Property Manager is not willing to let the household remain in their unit, assistance may be offered to help the household move into a more stable living situation.

No household shall receive more than 24 months of rental assistance. If a household receives assistance with 6 months of arrears, they will only be eligible for up to 18 months of continued rental assistance. Note: Total financial assistance under DHCD's ESG Grant cannot exceed \$4,000 in a 24 month period or \$2,000 if the household has or is expected to have publicly funded rental assistance.

- 2. Are clients who have received Emergency Assistance funding within the last 12 months eligible for DHCD's ESG?**

Yes, applicants that received EA funding within the past 12 months MAY be eligible for assistance given that they meet all of the other the DHCD requirements for ESG.

- 3. Can a DHCD ESG funded program serve clients with ESG that fall outside of the CoC's service area?**

Yes. However, if the applicant is not a resident in your area, they should first be referred to a service provider in the area that they reside. If no such provider exists you may provide assistance if they are eligible.

- 4. Can applicants currently receiving assistance from HomeBase also receive assistance from DHCD's ESG at the same time?**

Households that qualify for assistance through HomeBase are not eligible to receive ESG assistance at the same time for the following reasons:

1) Households must be ineligible for EA in order to qualify for ESG. Since HomeBase requires eligibility for EA, a household cannot be both eligible & ineligible for EA at the same time; and

2) HUD prohibits use of public funds from multiple sources for the same type of benefit at the same time.

5. **Can applicants receiving assistance from RAFT or Shelter Diversion receive assistance from DHCD's ESG at the same time?**

No. HUD prohibits the use of public funds from multiple sources for the same type of benefit at the same time.

6. **How much assistance can be used towards a security deposit for Rapid Re-Housing & Prevention clients?**

Per DHCD contracts, Security Deposit assistance must be no more than 1 month's rent.

7. **Are families that were denied Emergency Assistance eligible for DHCD's ESG assistance?**

Yes, as long as they meet all of the ESG requirements.

8. **Are child support deductions allowed when calculating annual income eligible for ESG?**

No. Child support and other payments that are directly deducted from a client's pay check must be counted as part of their gross income.

For a comprehensive list of income items that do not count towards a client's total annual income, please see the ESG Income Calculation Worksheet.

9. **Are utility arrearage payments and storage fees an allowable cost under DHCD's ESG programs?**

Yes, DHCD follows HUD guidelines regarding moving costs. As such, ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant is enrolled in ESG and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

*Per DHCD, the total amount necessary to assist with moving costs will be deducted from the maximum \$4,000 benefit allowed in a 24 month period or \$2,000 if the household has or is expected to have publicly funded rental assistance.

Leasing & Inspections

10. **If a household qualifies for Rapid Re-Housing assistance and they are moving into a unit that has already had a HUD approved inspection because they will be receiving Section 8 or another such subsidy, does an inspection need to be completed specifically for ESG?**

No. If a HUD approved inspection has already been recently completed for the unit they are moving into, a copy of that inspection report in the client's case record is all that you need. An additional inspection specifically for ESG is not necessary, because the standard Section 8 inspection is more strict.

11. **Do units need to be inspected by a certified inspector?**

No. Habitability standards do not require a certified inspector and ESG staff can conduct the inspections using a Housing Shelter and Housing Standards Inspection checklist.

12. **When are inspections necessary?**

An inspection is necessary anytime you are offering a financial service that will help the program participant to move into or live in a particular unit.

13. **If we are providing financial assistance to a participant, do we need a formal written agreement between the provider and the property owner?**

Yes, *for rental assistance only*. ESG providers may make rental assistance payments only to a property owner with whom you have entered into a written rental assistance agreement. The rental assistance agreement must state that, during the term of the agreement, the property owner must provide you with a copy of any notice given to the program participant to vacate the housing unit, or any complaint used to commence an eviction against the program participant.

14. **Is an At Will Tenancy agreement acceptable for Rapid Re-Housing clients moving into a new unit?**

In order to receive ESG *rental assistance*, the program provider must have a copy of a legally binding, written lease for the rental unit that is between the program participant and the property owner. Given that At Will Tenancies do not always have a written agreement, the property owner must be willing to put the terms of the tenancy in writing. If the terms of tenancy are in writing, then an At Will Tenancy (month to month) is acceptable for Rapid Re-Housing & Homelessness Prevention clients.

15. **In what situations is a Lease or Rental assistance agreement necessary in order to offer services?**

DHCD is requiring a written lease if you are offering any type of financial assistance to help a program participant move into or live in a particular unit, including move in

assistance such as a security deposit, first and/or last month rental assistance, and utility assistance. If you are only offering non-financial services, such as case management or legal services a lease is not necessary.

16. Is an oral agreement between the LL and the program participant sufficient?

A legally binding, written lease for the unit between the owner and the program participant is required when a program participant is receiving rental assistance. Only when the assistance is solely for rental arrears may an oral agreement be accepted in place of a written lease and **only if** the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the property owner's financial records, rent ledgers or cancelled checks.

17. If we are offering rental assistance, does the lease have to have an initial term of one year?

No, unless you are offering project based rental assistance. If you are offering tenant based rental assistance, the lease can be for any length of time including month to month.

The following questions pertain to the section below which was included in the RFR under D1. Eligible Participants (Homelessness Prevention):

“Homelessness Prevention funds may only be used to serve households which:

- 1. Meet the new HUD definition of At-Risk of Homelessness¹;*
- 2. Are currently housed and have received a writ of summary process²;*
- 3. Are a party to a written lease or oral lease agreement between the individual and a property owner which can be documented;*
- 4. Are not eligible for Emergency Assistance (EA). EA eligibility criteria can be found at 106 CMR: 309.020. These standards are posted at www.mass.gov/dta and can be viewed by selecting the Program Eligibility Charts and Tables link under Key Resources;*
- 5. Have income at or below 30% of the applicable Area Median Income (AMI); and*
- 6. Meet at least one of the following criteria:*
 - prior episode of homelessness in an emergency shelter*
 - history of domestic violence*
 - presence of an adult or a child or youth with a diagnosed disability including mental illness or substance use disorder”*

18. Is there a time frame for which the domestic violence would have had to occur in order to be eligible for DHCD’s ESG Homelessness Prevention assistance?

DHCD has not set a time frame on the history of domestic violence. We prefer providers to use HUD’s standard of reporting to document the domestic violence history. However, if the incident was several years ago and the reporting requirements cannot be met, a statement from the client detailing the domestic violence incident along with a statement from the intake worker or case manager documenting the efforts made to obtain documentation will be sufficient.

19. How do we document a “diagnosed disability?”

For ESG Homelessness Prevention assistance, clients must provide documentation from a medical provider qualified to diagnose the condition that they are disabled. DHCD has not set restrictions on whether or not that disability has to be permanent.

20. How long ago could the prior episode of homelessness in a shelter have occurred and how do we document the prior episode in the case file?

DHCD has not set a time limit on the history of homelessness. We expect that the shelter where the episode of homelessness occurred will provide written verification of the dates of homelessness.

¹ As defined by HUD in 24 CFR Part 91.5 and 24 CFR Part 576.500

² DHCD will not require a judgment or execution order, however a 14 day ‘Notice to Quit’ will not suffice

21. **If a client was homeless and sleeping outside, but did not go into a shelter, do they meet the criteria for a prior episode of homelessness under the RFR?**

A: If the episode and dates of homelessness can be verified by a homeless outreach worker, then yes, they meet the criteria for prior episode of homelessness.

HMIS

22. **In shelters where ESG funds help support the overflow demand with additional funds for heat, utilities and food, would these funds be considered a separate program in HMIS?**

Under 2.9 Bed and Unit Inventory of the Revised HMIS Data Standards, published in March 2010, overflow beds would NOT be considered a separate program in HMIS. You just need to document the number of overflow on the Housing Inventory Chart as "Availability as Overflow." In reporting to DHCD, you will include your data for the full shelter.

23. **If ESG funds accounted for 5% of one shelter's operating costs and 25% of another shelter's operating costs would the shelters enter 5% or 25% of its residents into the ESG HMIS program and the remainder into the state funded program or should it be all one program in HMIS?**

In HMIS, ESG is considered one program, regardless of the number of different funding streams that are being used to support the program.

24. **What reporting will be required through HMIS?**

HUD will be issuing guidance for ESG reporting requirements as it becomes available. Until then, recipients should continue to collect and enter program level data into HMIS. *If you are not yet entering into HMIS or need additional training or guidance, please contact DHCD as soon as possible.*

Other Important Topics

25. **When are re-certifications due for clients receiving ESG assistance from DHCD providers?**

Quarterly for all Homelessness Prevention & Rapid Re-Housing clients

**Rapid Re-Housing Programs – DHCD is requiring re-certifications to be completed quarterly in order to best track changes in income. However, if the client has received less than 12 months of assistance, an increase in a household's income to over 30% AMI*

does not make the client ineligible for services. Rather, consideration should be given to whether the client is compliant with all rules and regulations.

26. What reports are due to DHCD and when are they due?

DHCD is requesting the APR report to be submitted on a quarterly basis. The first report will be due October 15th. Please email your report to Elisa Bresnahan at elisa.bresnahan@state.ma.us. For questions about the quarterly report please contact her via email or telephone at 617-573-1393.

27. Our contract with DHCD is for a one year terms beginning July 1st, 2012, but ESG documents indicate that funding is for 24 months. Do all of our funds need to be expended within this fiscal year?

Yes, per DHCD contracts, all ESG funds must be expended by June 30th, 2013.